

RESOLUTION NO. 16-OB-__006__

**A RESOLUTION OF THE OVERSIGHT BOARD TO THE CITY OF
INGLEWOOD AS SUCCESSOR AGENCY TO THE FORMER
INGLEWOOD REDEVELOPMENT AGENCY (SUCCESSOR AGENCY)
APPROVING THE ISSUANCE OF REFUNDING BONDS OF THE
SUCCESSOR AGENCY, MAKING CERTAIN DETERMINATIONS WITH
RESPECT TO THE REFUNDING BONDS AND PROVIDING OTHER
MATTERS RELATING THERETO**

WHEREAS, the Inglewood Redevelopment Agency (the “Former Agency”) was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the California Health and Safety Code (the “Law”); and

WHEREAS, pursuant to section 34172(a) of the California Health and Safety Code (unless otherwise noted, all section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists, and pursuant to Section 34173, the City of Inglewood has become the successor agency to the Former Agency (the “Successor Agency”); and

WHEREAS, pursuant to section 34179, this Oversight Board has been established for the Successor Agency; and

WHEREAS, the Oversight Board is informed by the Successor Agency that prior to the dissolution of the Former Agency, the Former Agency issued the following bonds for the purpose of financing and refinancing redevelopment activities, which bonds remain outstanding:

(a) Inglewood Redevelopment Agency Merged Redevelopment Project Tax Allocation Refunding Bonds, Series 2003A (the “2003A Bonds”), and

(b) Inglewood Redevelopment Agency Merged Redevelopment Project Subordinate Lien Tax Allocation Bonds, Series 2007A-1 (the “2007A-1 Bonds” and, together with the 2003A Bonds, the “Prior Bonds”); and

WHEREAS, section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Refunding Law”) for the purpose of achieving debt service savings within the parameters set forth in section 34177.5(a)(1) (the “Savings Parameters”); and

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bonds, the Successor Agency has caused its financial advisor, Urban Futures Incorporated (the “Financial Advisor”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of tax allocation refunding bonds to refund all or a portion of the Prior Bonds (the “Debt Service Savings Analysis”); and

WHEREAS, the Successor Agency by its resolution adopted on October 4, 2016 (the “Successor Agency Resolution”) approved the issuance of Successor Agency to the Former Inglewood Redevelopment Agency Merged Redevelopment Project Subordinate Lien Tax Allocation Refunding Bonds, Series 2016 (the “Bonds”), to refund the Prior Bonds, pursuant to section 34177.5(a)(1); and

WHEREAS, in the Successor Agency Resolution, the Successor Agency also authorized the execution and delivery of (a) an indenture, by and between the Successor Agency and U.S. Bank National Association, as trustee (the “Indenture”) and (b) two escrow agreements, each between the Successor Agency and U.S. Bank National Association, as escrow bank; and

WHEREAS, in the Successor Agency Resolution, the Successor Agency also requested that this Oversight Board direct the Successor Agency to undertake the refunding proceedings and approve the issuance of the Bonds pursuant to the Successor Agency Resolution and the Indenture and that this Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Bonds; and

WHEREAS, the Successor Agency has determined to sell the Bonds to Stern Brothers & Co., Backstrom McCarley Berry & Co., LLC and Cabrera Capital Markets, LLC (collectively, the “Underwriters”) pursuant to the terms of a bond purchase

agreement (the "Purchase Agreement") to be entered into by the Successor Agency and the Underwriters; and

WHEREAS, following approval by the Oversight Board of the issuance of the Bonds by the Successor Agency and upon submission of the Successor Agency Resolution and this Resolution to the California Department of Finance, (a) the Successor Agency will, with the assistance of its disclosure counsel, the Financial Advisor and its Fiscal Consultant, cause to be prepared a form of official statement for the Bonds describing the Bonds and containing material information relating to the Successor Agency and the Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Underwriters to persons and institutions interested in purchasing the Bonds, and (b) the Underwriters will cause to be prepared the Purchase Agreement which will be submitted to the Successor Agency for approval; and

WHEREAS, this Oversight Board has completed its review of the refunding proceedings and the Debt Service Savings Analysis and wishes at this time to give its approval to the foregoing.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Inglewood Redevelopment Agency does hereby resolve as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Determination of Savings. This Oversight Board has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Bonds to provide funds to refund and defease the Prior Bonds, as evidenced by the Debt Service Savings Analysis on file with the Secretary of the Oversight Board, which Debt Service Savings Analysis is hereby approved.

Section 3. Direction and Approval of Issuance of the Bonds. As authorized by section 34177.5(f), the Oversight Board hereby directs the Successor Agency to undertake the refunding proceedings and as authorized by section 34177.5(f) and section 34180, this Oversight Board hereby directs and approves the issuance by the Successor Agency of the Bonds pursuant to section 34177.5(a)(1) and under other

applicable provisions of the Law and the Refunding Law and as provided in the Successor Agency Resolution and the Indenture in the aggregate principal amount of not to exceed \$80,000,000, provided that the principal and interest payable with respect to the Bonds complies in all respects with the requirements of the Savings Parameters, as shall be certified to by the Municipal Advisor upon delivery of the Bonds or any portion thereof.

Section 4. Sale and Delivery of Bonds in Whole or in Part. The Oversight Board hereby approves the sale and delivery of the Bonds in whole, provided that there is compliance with the Savings Parameters. However, if such Savings Parameters cannot be met with respect to the whole of the Bonds, then the Oversight Board approves the sale and delivery of the Bonds from time to time in part. In the event the Bonds are initially sold in part, the Successor Agency is hereby authorized to sell and deliver additional series of the Bonds without the prior approval of this Oversight Board provided that in each such instance the Bonds so sold and delivered are in compliance with the Savings Parameters.

Section 5. Determinations by the Oversight Board. As requested by the Successor Agency, the Oversight Board makes the following determinations upon which the Successor Agency shall rely in undertaking the refunding proceedings and the issuance of the Bonds:

(a) The Successor Agency is authorized, as provided in section 34177.5(f), to recover its costs related to the issuance of the Bonds from the proceeds of the Bonds, including the cost of reimbursing its administrative staff and legal counsel for time spent with respect to the authorization, issuance, sale and delivery of the Bonds;

(b) The application of the proceeds of the Bonds by the Successor Agency to the refunding and defeasance of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Bonds, including municipal bond insurance and reserve fund surety bond or insurance premiums, as provided in section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Bonds, notwithstanding section 34177.3 or any other provision of law to the contrary, without the approval of the

Oversight Board, the California Department of Finance, the Los Angeles County Auditor-Controller or any other person or entity other than the Successor Agency; and

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under section 34181(a)(3) without any deductions with respect to continuing costs related to the Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to section 34183. In addition and as provided by section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings for the Prior Bonds from such property tax revenues pursuant to section 34183 without reduction in its Administrative Cost Allowance.

Section 6. Effective Date. Pursuant to section 34177(f) and section 34179(h), this Resolution shall be effective five (5) business days after proper notification hereof is given to the California Department of Finance unless the California Department of Finance requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the California Department of Finance.

Section 7. Certification. The Oversight Board Secretary shall certify as to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED by the Oversight Board to the City of Inglewood as the Successor Agency to the former Inglewood Redevelopment Agency, at its duly scheduled meeting held this 5th day of October, 2016, by the following vote:

Yes:

No:

Abstain:

Absent:

James T. Butts Jr., Chairman
City of Inglewood
Former Redevelopment Agency
Oversight Board

ATTEST:

County of Los Angeles, Board of Supervisors
Acting as Secretary to the City of Inglewood
Former Redevelopment Agency Oversight
Board

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